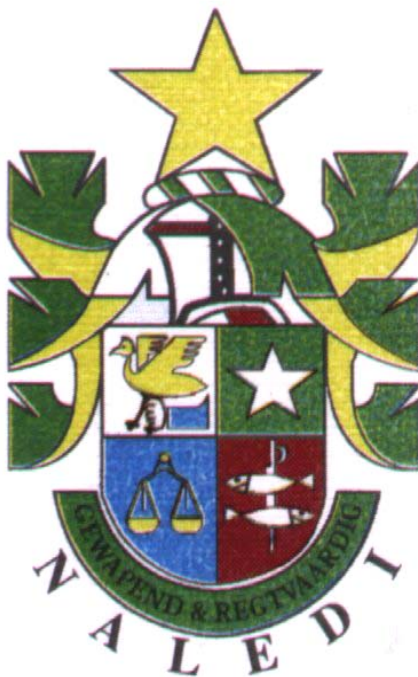


NALEDI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS

30 JUNE 2006



30 JUNE 2006

ANNUAL FINANCIAL STATEMENTS
NALEDI LOCAL MUNICIPALITY

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NALEDI LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor R Mompoti	Mayor
Councillor B B Moabi	Chairperson: Corporate Administration and Finance Portfolio Committee
Councillor D R Van Tonder	Chairperson: Community Health Portfolio Committee
Councillor F J Wright	Chairperson: Community Services Portfolio Committee

GRADING OF LOCAL AUTHORITY

Grade 8

AUDITORS

Auditor-General

BANKERS

First National Bank, Vryburg

REGISTERED OFFICE

Civic Centre Market Street VRYBURG	P O Box 35 VRYBURG 8600	Telephone: (053) 928-2200
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MUNICIPAL MANAGER

Mr T C Kebotlhale

TREASURER

Mr J Carstens : Municipal Accountant (Associate)

MEMBERS OF THE LOCAL MUNICIPALITY

COUNCILLOR / ALDERMAN

J A Adonis
O K Bareki
M W Beng
K L Bome
P H Du Plessis
B B Fuleni
B M Kegakilwe
A Lekgetho
B B Moabi
R Mompoti
E K Moroka
H L Pretorius
L E Sedumedi
K L Sereisho
M E Thunyiswa
M F Tinyane
D R Van Tonder
F J Wright

SPEAKER: Councillor B B Fuleni

MAYOR : Councillor R Mompoti

MAP OF THE MUNICIPAL AREA OF NALEDI LOCAL MUNICIPALITY

A map of the area of Naledi Local Municipality is attached as Appendix G.

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 12 to 32 were approved by the Municipal Manager on behalf of Council on 31 August 2006

MUNICIPAL MANAGER
Accounting Officer

MANAGER: FINANCIAL SERVICES
Municipal Accountant (Associate)

NALEDI LOCAL MUNICIPALITY

FOREWORD

Developmental local government endured major transformational changes since 1995. The Municipal Finance Management Act (MFMA) brought further impetus to this reform process. The MFMA also brought financial reform challenges to local government that is stretching their capacity to limits never achieved before. Some municipalities - especially the bigger cities - do have the capacity and skills to perform, while others simply do not have that capacity and skills. Although Naledi Local Municipality has been classified as a low capacity municipality, we are proud to announce that we have compiled a set of financial statements for 2005/2006 by 31 August 2006 as required

Naledi Local Municipality has committed themselves to the rendering of free basic services to the poor. We are finalising the compilation of an indigent register to identify the poor households and to proof to National Government that the equitable share we receive are not enough to render sustainable free basic services. We in the rural areas cannot compete with the cities simply because of economies of scale. To render sustainable and affordable basic services we need our fair share from the national fiscus.

Naledi Local Municipality is focusing on democratising our local community through accountability as we move towards greater transparency and the focusing on outcomes rather than inputs. Measuring and reporting performance becomes an integral part of management. We are focusing on issues such as financial support to assist service delivery functionaries, joint responsibility for financial stability, management of financial risk and to install mechanisms of better financial control-setting policies and procedures. During the past financial year we have workshoped and accepted various budget related policies of which our Tariff Policy and the Customer Care, Credit Control and Debt Collection Policy are certainly two very important policies for us to carry on as a going concern.

Our challenge the next few years will be to use the experience we have gained, the policies we have put in place as well as the institutions of democracy we have created to bring about even greater change. We need to build the capacity of our human resources as a whole simply because they are our biggest asset. The staff of the Department of Financial Services will need coaches and mentors to build their capacity so as to ensure that we produce an unqualified audit report. We acknowledge the fact that there are issues like the balancing of control and suspense accounts that needs attention and for that we need the financial support from National Government through the Municipal Systems Improvement Grant (MSIG) programme.

We are thankful that the Department of Provincial and Local Government has allocated an amount of R 734,000 through the MSIG programme and that National Treasury has allocated R 500,000 through the Finance Management Grant programme to address the issues in the Auditor-General's Report for the 2004/2005 financial year. We are also thankful that the Development Bank of South Africa has appointed two financial experts to assist us in the coaching and mentoring of staff in the Department of Financial Services. We really believe that by the end of the 2006/2007 the majority of the issues in the Auditor-General's Report will have been addressed and that we would have moved forward in implementing budgetary reforms and compliance to the Municipal Finance Management Act.

With regard to our operational activities we acknowledge the fact that the wage bill as a percentage of our operational expenditure is still to high, but, it is a long process that we have embarked on to improve this situation. Unfunded mandates and the performing of non core functions places a huge financial burden on the local community and we have to realise profits on water and electricity sales to subsidise those services.

Due to financial constraints capital projects were mainly financed through grants and we also acknowledge the fact that we are dependent on grants from government programmes to develop our municipality and to enhance the quality of life of our people. We have reached the limit to take up huge external loans for major capital projects simply because we cannot afford to repay them as well as our high wage bill. We need to reduce it to free operational expenditure for investment purposes. We have redeemed the loans taken up three years ago for 10 new vehicles in August 2006. This means that those capital charges expenditure in the operational budget can now be used to purchase new vehicles to improve service delivery. However, we need major investment in infrastructure.

Finally I want to express my deepest gratitude to the Speaker, Members of the Executive Committee, the Municipal Manager, all Members of Council, Heads of Departments and the entire staff component for the support and assistance they gave me. My deepest thanks also to the local community of Naledi Local Municipality for their participation in local government matters. May our Municipality rise from strength to strength in the elimination of poverty and unemployment, and, bring good health and education to our society.

Dr RUTH S MOMPATI
MAYOR

31 August 2006

REPORT FROM THE AUDITOR-GENERAL

The Report from the Auditor-General will only be available three months after the actual

NALEDI LOCAL MUNICIPALITY

REPORT OF THE MANAGER: FINANCIAL SERVICES

The 2005/2006 financial year, taking all factors into account, realised unacceptable results. Although an indigent survey was undertaken with the purpose to identify indigent households; to clean-up our financial database; to ensure that every property in town receive an appropriate municipal services account; and, then to write-off the debt of indigent households, the project was not completed due to incomplete survey data and therefore did not realise the desired results. Budgeted income for municipal services therefore did not realise due to the fact that all consumers do not get billed and our "tax base" therefore did not increase as expected. On the expenditure side the high wage bill is still a major concern and the over-expenditure on bulk purchases and interest paid on external loans are the main culprits for realising a deficit for the operational activities for the financial year. Capital expenditure also did not realise as budgeted due to implementation problems.

1. OPERATING RESULTS

Details of the operating results as per department, classification and object of expenditure are included in Appendixes D and E. The applicable statistics are shown in Appendix F. The overall operating results for the year ended 30 June 2006 are as follows:

INCOME / EXPENDITURE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
Opening surplus / (Deficit)	(1,690,158)	1,501,535			
Surplus / (Deficit) for the year	487,881	(223,890)		12,690	
Operating income for the year	81,745,020	90,164,520	10.30	90,451,850	(0.32)
Operating expenditure for the year	(81,257,139)	(90,388,410)	11.24	(90,439,160)	(0.06)
Appropriations for the year	2,703,812	479,727			
Closing Surplus / (Deficit)	1,501,535	1,757,372			

The increase of R 8,419,500 (10.30%) in operating income is mainly due to two factors. Firstly, an increase of assessment rates, consumer services levies and other revenue to the amount of R 6,684,547 (8.93%), and, secondly, a direct contribution of R 6.9 million (7.74%) from the equitable share received from National Government. Having said that, income to the amount of R 3,488,772 (3.87%) did not realise mainly due to the fact that the "tax base" did not expand due to the housing projects that did not realise and consumers that do not get billed (refer to indigent survey). In addition to that the delay in the completion of the traffic complex also lead to the loss of revenue.

Fortunately expenditure was kept under control. Although the wage bill expenditure of R 43,243,116 was within the budgeted amount of R 43,505,120 it represented 47.84% of actual operating expenditure. These figures does not include councillor allowances expenditure that forms part of other general expenditure. Bulk purchases (electricity and water) of R 17,473,831 (19.33% of total actual operating expenditure) realised an over-expenditure of R 1,924,141 and capital charges of R 10,103,117 (11.18% of total actual operating expenditure) realised an over-expenditure of R 929,327. Therefore, the operating activities realised a deficit of R 223,890 for the year and after positive appropriations of R 479,727 for the year the accumulated surplus at 30 June 2006 now stands at R 1,757,372.

1.1 Rates and General Services

INCOME / EXPENDITURE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
Income	40,960,785	46,813,965	14.29	46,689,090	0.27
Expenditure	48,897,071	52,911,520	8.21	55,284,540	(4.29)
Surplus / (Deficit)	(7,936,286)	(6,097,555)	(23.17)	(8,595,450)	(29.06)
Surplus (Deficit) as a % of total Income	(19.38)	(13.03)		(18.41)	

Council budgeted for a deficit of R 9,614,210 with regard to the operational activities of Community Services. The actual deficit realised was R 5,614,830. The difference of R 3,999,380 can be contributed to an increased equitable share contribution to offset the loss of revenue at Economic and Trading Services due to the non-expanding of the tax base. Council budgeted for a surplus of R 858,410 with regard to the operational activities of Economic Services. Instead Economic Services realised a deficit of R 482,725 for the year due to the non-expanding of the tax base. Rates and General Services as a whole realised a deficit of R 6,097,555 compared to the budgeted deficit of R 8,755,800. Income and expenditure realised positive variances of 0.27% and 4.29% respectively. Overall, satisfactory results realised.

1.2 Housing Services

INCOME / EXPENDITURE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
Income	150,790	152,883	1.39	161,350	(5.25)
Expenditure	116,713	110,130	(5.64)	121,400	(9.28)
Surplus / (Deficit)	34,077	42,753	25.46	39,950	7.02
Surplus / (Deficit) as a % of total Income	22.60	27.96		24.76	

Housing services realised a surplus of R 42,753 compared to a budgeted surplus of R 39,950 for the Phomolong Family Units.

1.3 Trading Services

The following is a summary of the operating results of the municipality's trading services.

1.3.1 Electricity Trading Services

INCOME / EXPENDITURE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
Income	25,405,248	26,061,052	2.58	26,193,020	(0.50)
Expenditure	21,875,733	23,946,303	9.47	23,577,460	1.56
Surplus / (Deficit)	3,529,515	2,114,749	(40.08)	2,615,560	(19.15)
Surplus / (Deficit) as a % of total Income	13.89	8.11		9.99	

Actual electricity sales realised 0.50% less than that was budgeted for. This is mainly due to the fact that the National Electricity Regulator (NER) did not approve the increase in electricity tariffs that Council originally approved. Although Council approve its own electricity tariffs it must also be approved by the NER in terms of legislation. The NER therefore have the right to regulate our electricity tariffs.

Actual electricity expenditure realised an over-expenditure of 1.56% compared to the amount budgeted for. This is due to an over-expenditure of R 678,477 on electricity bulk purchases compared to an overall over-expenditure of R 368,843 (R23,577,460 - R 23,946,303) on Electricity Trading Services.

Electricity services overall realised a profit of R 2,114,749 (8.11% of actual income) compared to the budgeted profit of R 2,615,560 (9.99% of budgeted income). The profit on Electricity Trading Services decreased with 40.08% from 13.89% in 2004/2005 to 8.11% in 2005/2006. Of concern is the 15.00% loss of electricity units between units bought from Eskom and units sold according to our records.

1.3.2 Water Service

Actual water sales realised 2.62% less than that was budgeted for. The main reason for this is the non-expanding of our tax base. All consumers with water meters do not get billed.

Actual water expenditure realised an over-expenditure of R 1,947,570 (17.00%) compared to the amount budgeted for. The main reason for this variance is the over-expenditure on bulk water purchases amounting to R 1,245,664.

Water services overall realised a profit of R 3,548,940 (20.93% of actual income) compared to the budgeted profit amount of R 5,952,630 (34.19% of budgeted income).

INCOME / EXPENDITURE			% VARIANCE	BUDGET	% VARIANCE
	ACTUAL 2004/2005	ACTUAL 2005/2006	2004/2005 2005/2006		ACTUAL/ BUDGET
Income	15,050,750	16,952,270	12.63	17,408,390	(2.62)
Expenditure	10,190,175	13,403,330	31.53	11,455,760	17.00
Surplus / (Deficit)	4,860,575	3,548,940	(26.99)	5,952,630	(40.38)
Surplus (Deficit) as a % of total Income	32.29	20.93		34.19	

1.4 General Comment

The total profit of R 5,663,689 realised on trading services (R 2,114,749 on electricity services plus R 3,548,940 on water services) is used to subsidise the loss of R 6,097,555 on rates and general services. It is quite clear from this unsatisfactorily situation that the Naledi Local Municipality's viability and sustainability as a going concern will seriously be affected should the electricity services be taken over by REDS and water services by the water services authority (Bophirima District Municipality).

1.5 Revenue Collection

Naledi Local Municipality as a going concern is dependant on the collection of all revenue due to the municipality. Consumer debt increased with R 8,558,779 to R 68,953,940 during the financial year. This is less than the growth in outstanding debt of R 9,084,603 in 2004/2005. Although a computerised credit control and debt collection management system was procured in 2004/2005 and undoubtedly is helping us to collect outstanding debt, the full impact of the system's assistance cannot be evaluated at this stage due to the fact that indigent support in terms of Council's indigent support policy was not implemented during 2005/2006 - due to the delay and problems encountered with the completion of the indigent survey. The increase of R 8,558,779 in debtors arrears are mainly - if not in total - due to the non-implementation of the indigent support to indigent households.

However, it is clear that the total debtors book will not be recovered. The irrecoverable debt of indigent households will have to be written-off. During the month of July 2006 nearly R 20 million of outstanding debt of indigent households were written-off and another estimated R 15 to R 20 million will still have to be written-off. Provision to the amount of R 7,761,127 has been made for bad debts and the difference between this amount and the amount written-off will have to be financed with other reserves from Council.

2. CAPITAL EXPENDITURE AND FINANCING

The capital expenditure on fixed assets during the year amounted to R 9,186,309 - 55.54% less than the previous year. The actual expenditure variance is 52.87% less than budgeted for and consists of the following:

CAPITAL EXPENDITURE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
Buildings	6,076,086	1,380,947	(77.27)	1,771,150	(22.03)
Roads and Storm water drainage	1,124,941	1,905,410	69.38	3,842,580	(50.41)
Other infrastructure	6,599,168	4,291,088	(34.98)	6,349,840	(32.42)
Other fixed assets	6,862,410	1,608,864	(76.56)	7,529,350	(78.63)
	20,662,605	9,186,309	(55.54)	19,492,920	(52.87)

Capital expenditure spend to ensure that refuse removal, sewerage, water and electricity services are be provided at acceptable levels, totaled R 4,291,088 compared to the R 6,599,168 of 2004/2005. Capital expenditure spend on roads and stormwater drainage amounted to R 1,905,410 compared to the R 1,124,941 of 2004/2005. Capital expenditure spend on buildings and other fixed assets amounted to R 2,989,811 compared to the R 12,938,496 for 2004/2005.

2005/2006. Two reasons for this exists. Firstly, the ability (capacity) of the organisation as a whole to implement capital projects must be questioned. Secondly, our dependency on grant funding for capital projects slows down service delivery.

The financing resources used to finance the fixed assets are as follows:

FINANCING RESOURCE	ACTUAL 2004/2005	ACTUAL 2005/2006	% VARIANCE 2004/2005 2005/2006	BUDGET 2005/2006	% VARIANCE ACTUAL/ BUDGET
External loans	6,880,267	583,251	(91.52)	734,830	(20.63)
Internal loans	2,613,784	2,208,407	(15.51)	3,368,300	(34.44)
Operating Income	124,904	223,873	79.24	304,850	(26.56)
Grants and subsidies	6,547,811	5,760,311	(12.03)	14,221,940	(59.50)
Internal funds	4,495,839	410,467	(90.87)	863,000	(52.44)
	20,662,605	9,186,309	(55.54)	19,492,920	(52.87)

Grants and subsidies amounting to R 5,760,311 represented 62.71% of the capital expenditure financing resources. External loans to the amount of R 583,251 representing 6.35% of the capital expenditure financing resources were taken up. The rest of the capital expenditure financing resources totaling R 2,842,747 (30.94%) came from our own financing resources (internal loans, operating income and other internal funds).

A complete analysis of capital expenditure (budgeted and actual) per department and classification of service is included in Appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in Appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2006 amounted to R 29,663,232 compared to the R 32,169,770 of 2004/2005. This is set out in Appendix B. The outstanding lease to the amount of R 69,857 as at 30 June 2005 has been redeemed during the 2005/2006 financial year.

Investments and cash on hand as at 30 June 2006 amounted to R 2,941,840 compared to the R 4,412,078 of 2004/2005. More information regarding loans and investments are disclosed in Notes 4 and 6 and Appendix B to the financial statements.

4. FUNDS AND RESERVES

Funds and reserves as at 30 June 2006 amounted to R 35,364,090. However, this amount is not represented by cash since most of it is used to finance outstanding consumer debt. Cash recovered from outstanding consumer debtors will have to be invested to represent the values of these funds and reserves. More information regarding funds and reserves are disclosed in Notes 1 to 3 and Appendix A of the financial statements.

5. EXPRESSION OF APPRECIATION

I want to express my gratitude to the Speaker, the Mayor, members of the Executive Committee, councillors, the Municipal Manager, Heads of Departments and their staff who has supported the Department of Financial Services in performing their tasks. To the staff from Province and in particular to the local representatives of the Auditor-General a word of thanks for their assistance and support during the year.

I would also like to thank my staff in the Department of Financial Services for their assistance and support in compiling this set of financial statements within the required timeframe as set out in the Municipal Finance Management Act. In particular I want to thank the Deputy Manager: Financial and Assets Management (Mr Jerrie Joubert) for his loyal support and hard work. We all know that Jerrie work many hours overtime at home during the week and over weekends without any extra remuneration. I can only acknowledge his efforts through a heartily word of thanks.

J. CARSTENS
MANAGER FINANCIAL SERVICES

31 August 2006

NALEDI LOCAL MUNICIPALITY

ACCOUNTING POLICIES

1 Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards as laid down by the Institute of Municipal Finance Officers in its Code of Practice (1992) and Report on Published Annual Financial Statements (Second edition - January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - 1.3.1 Income is accrued when measurable and available to finance operations. Certain direct Income is accrued when received, such as traffic fines and certain licensing fees.
 - 1.3.2 Expenditure is accrued in the year it is incurred.

2 Consolidation

The financial statements includes rates and general services, housing services, trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of electricity, office rent, sewerage, refuse removal and water which are treated as income and expenditure in the respective departments.

3 Fixed Assets

- 3.1 Fixed Assets are stated:
 - 3.1.1 at historical cost, or
 - 3.1.2 at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation;
while they are in existence and fit for use, except in the case of bulk assets that are written-off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation: The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:
 - 3.2.1 Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
 - 3.2.2 Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- 3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated life of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advances are made.

4 Inventory

Inventory is valued at the average of cost, determined on the weighted average basis, and net realisable value. Corrections was done by the service provider appointed as per tender.

5 Funds and Reserves

5.1 Revolving Fund:

The Cape Municipal Ordinance (Nr. 20 van 1974) Section 75(1) makes provision that a yearly contribution of 7,5% of the income from Rates and Taxes collected by a Local Authority for the previous year must go to the Revolving Fund with the exception that no Local Authority have to contribute more than 20% more to the Fund than the previous year. The MEC for Developmental Government and Housing in the North West Province gave permission to the Council not to do this contribution during this year.

5.2 Parking Areas Development Fund

In accordance with the Ordinance on Parking Areas (Cape) each Council that have Parking Areas and get income from Parking Meters, must establish a Parking Areas Development Fund. Provision is also made in the Ordinance to allow Council to levy a special tax on Businesses to develop Parking Areas (Section 106 of Ordinance 21 of 1966).

5.3 Dog Tax Fund.

As laid down in the Ordinance on Dog Tax (Cape), each Council must establish a Dog Tax Fund in which the income from Dog Tax must be deposit. (Ordinance 19 of 1978).

5.4 Study Bursary Fund.

A Study Bursary Fund was established in accordance with the conditions laid down in the authority by the Premier of the North West Province.

5.5 Loan Redemption Fund.

The redemption of Vryburg Stock is provided for by the annual repayment of advances made to the borrowing accounts calculated on the estimated life of assets acquired but subject to a limitation of a maximum of 25 years on the life of any individual asset. Internal loans are repaid in relation to the life of an asset. Redemption on government loans is paid half yearly on an annuity basis.

5.6 Provisions-, Replacement- and Maintenance Fund

Annually contributions are made to this fund to have enough money available to replace a asset at the end of its life or to do the necessary maintenance to the asset as and when necessary.

5.7 Leon Taljaard Game Fund

All monies received for selling / hunting of game are deposited in this fund. The monies will be used for buying of new blood lines in the future. The Leon Taljaard committee was established to control the actions on behalf of council.

5.8 Housing Development Fund

The housing development fund was established as was prescribed by the Housing Act where all the monies owed to the old Housing Board was written off and carried over in the name of the person that was staying in the house at that time.

6 Retirement Benefits

The employers of the Naledi Local Municipality contribute to the Cape Joint Retirement Fund or the SALA Pension Fund, while the Councillors contribute to the Pension Fund for Councillors. All these Funds provides retirement benefits to such employees and councillors.

The retirement benefit plan is subject to the Pensions Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan.

Full actuarial valuations are performed at least every three years.

7 Surpluses and Deficits.

All surpluses and deficits arising from the operation of the Electricity and Water services are transferred to the Rate and General account.

8 Treatment of administration and other overhead expenses.

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

9 Leased assets.

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extend and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

10 Investments.

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular 46 of 1994 dated 26 October 1994 issued by the Cape Provincial Administration.

11 Deferred charges.

During the period covered by this Financial Statements no deferred charges occurred

12 Income recognition

12.1 Electricity and Water Billings

All meters to premises, Industrial sites, Businesses or to household properties for, high tension as well as ordinary household supplies, are read and billed monthly. In order to do this this council make use of the firm Northern Cape Meter readings CC.

12.2 Assessment Rates

Assessment Rates are levied on the value of land and improvements. General tax are levied on all premises in Colridge, Huhudi, Kismetpark, Stella and Vryburg. A Special tax are levied on all businesses to enable Council to develop and maintain parking areas.

13 Game in Leon Taljaard Nature Reserve

A game count and register is kept and managed by the Leon Taljaard Control Board. Values is connected to the game and as such it was included in the reserves of the municipality.

NALEDI LOCAL MUNICIPALITY
BALANCE SHEET AT 30 JUNE 2006

	NOTES	2005/2006	2004/2005
		R	R
<u>CAPITAL EMPLOYED</u>			
FUNDS AND RESERVES		30,077,690	30,634,439
Statutory funds	1	26,325,454	25,995,156
Reserves	2	3,752,236	4,639,283
RETAINED SURPLUS / (ACCUMULATED DEFICIT)	18	1,757,372	1,501,535
		31,835,062	32,135,974
TRUST FUNDS	3	5,177,242	5,578,861
LONG-TERM LIABILITIES	4	27,689,771	29,253,327
CONSUMERS DEPOSITS - SERVICES	5	2,710,564	2,274,986
		67,412,639	69,243,148
<u>EMPLOYMENT OF CAPITAL</u>			
		37,012,304	
FIXED ASSETS	6	44,200,254	47,878,355
INVESTMENTS	7	2,941,840	4,412,078
LONG-TERM DEBTORS	8	(236,300)	451,055
DEFERRED CHARGES	11	-	-
		46,905,794	52,741,488
NET CURRENT ASSETS/(LIABILITIES)		20,506,845	16,501,660
CURRENT ASSETS		73,395,568	61,705,682
Inventory	9	2,667,291	2,667,291
Debtors	10	70,706,030	58,955,751
Cash		7,337	7,337
Short-term Investments		-	-
Short-term portion of Long-term Debtors	8	14,910	75,303
CURRENT LIABILITIES		(52,888,723)	(45,204,022)
Provisions	12	109,158	941,915
Creditors	13	28,661,763	25,491,706
Short-term portion of long-term liabilities	4	2,005,472	2,977,387
Bank overdraft		22,112,330	15,793,014
		67,412,639	69,243,148

NALEDI LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 SURPLUS (DEFICIT)		2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPENDITURE	2005/2006 SURPLUS (DEFICIT)	2005/2006 BUDGET SURPLUS (DEFICIT)
R	R	R		R	R	R	R
40,960,785	48,897,071	(7,936,286)	<u>RATES AND GENERAL SERVICES</u>	46,813,965	52,911,520	(6,097,555)	(8,755,800)
24,155,958	31,101,031	(6,945,073)	<u>Community Services</u>	29,447,892	35,062,722	(5,614,830)	(9,614,210)
16,804,827	17,796,040	(991,213)	<u>Economic Services</u>	17,366,073	17,848,798	(482,725)	858,410
150,790	116,713	34,077	<u>HOUSING SERVICES</u>	152,883	110,130	42,753	39,950
40,455,998	32,065,908	8,390,090	<u>TRADING SERVICES</u>	43,013,322	37,349,633	5,663,689	8,568,190
177,447	177,447	-	<u>SPECIAL FUNDS</u>	184,350	17,127	167,223	160,350
<u>81,745,020</u>	<u>81,257,139</u>	487,881	<u>TOTAL</u>	<u>90,164,520</u>	<u>90,388,410</u>	(223,890)	<u>12,690</u>
		-	Appropriations for the Year				
		2,703,812	Refer to note 18)			479,727	
		3,191,693	Net Surplus/(deficit) for the year			255,837	
		(1,690,158)	Accumulated (Deficit)/surplus beginnig of the year			1,501,535	
		<u>1,501,535</u>	Accumelated Surplus/(deficit) at the end of the Year			<u>1,757,372</u>	

NALEDI LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	NOTES	2005/2006	2004/2005
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES :		18,127,970	17,465,939
Cash generated by operations	19	10,720,682	11,906,560
Investment income	17	26,064	123,605
(Decrease)/increase in cash investments	20	1,470,239	509,733
		12,216,985	12,539,898
Less: External interest paid	17	5,910,985	4,926,041
Cash available from operations		18,127,970	17,465,939
Cash contributions from the public and state		-	-
Net proceeds on disposal of fixed assets		-	-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(6,861,084)	(3,590,899)
NET CASH FLOW		11,266,886	13,875,040
CASH EFFECTS OF FINANCING ACTIVITIES:			
Increase/(Decrease) in long-term loans	21	3,477,884	4,283,867
Increase/(decrease) in short-term loans	22	-	-
(Increase)/Decrease in cash investments	23	1,470,239	509,733
(Increase)/Decrease in cash	24	6,318,763	9,081,440
Net cash (generated)/utilised		11,266,886	13,875,040

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u>	<u>2004/2005</u>
	<u>R</u>	<u>R</u>
1. STATUTORY FUNDS		
Revolving Fund	* 25,223,547	24,874,295
Parking Areas Development Fund	* 988,399	987,682
Dog Licence Fund	* 113,508	133,179
Study Bursaries Fund	-	-
	<u>26,325,454</u>	<u>25,995,156</u>
(Refer to Appendix A for more details)		
(* These funds are not cash based.)		
2. RESERVES		
Loan Redemption Fund	* -	479,591
Provisions-, Replacement- and Maintenance Fund	* 1,900,327	2,094,244
Leon Taljaard Game Fund	* 1,444,473	1,658,301
Housing Development Fund	* 398,719	398,430
Huhudi Stadium Maintenance Fund	* 8,717	8,717
	<u>3,752,236</u>	<u>4,639,283</u>
(Refer to Appendix A for more details)		
(* These funds are not cash based.)		
3. TRUST FUNDS		
Development Fund	* 511,196	511,196
Fire Brigade Fund	* 386,944	236,944
Restructuring Fund	891,686	891,686
Naledi Support Grant	496,238	496,238
Deboning Project	2,502	2,502
Re-agana Sewing Project	* 18,853	203,327
Bophirima Furniture and Coffin Making Project	-	-
Skills Development	-	-
Museum Upgrading	* 117,372	117,372
Upgrading Libraries	* 492,736	230,992
Finance Management Grant	* 435,442	663,576
Huhudi/Vryburg Housing Projects	431,516	193,651
Stella Housing Projects	# 1,288,451	1,235,232
Dithakwaneng Housing Project	-	691,839
Mayoral Awards	4,306	4,306
LED Projects	* 100,000	100,000
	<u>5,177,242</u>	<u>5,578,861</u>
(* These funds are not cash based.)		
(# SARS seized R 1,230,000 of the Stella Housing Fund as a partial payment on the VAT due to them)		
4. LONG TERM LIABILITIES		
Government Loans	-	-
Local Registered Stock	-	500,000
Unregistered Stock	-	-
Annuity Loans	29,663,232	31,599,913
Leased Items	-	69,857
	<u>29,663,232</u>	<u>32,169,770</u>
Plus : Sundry Loans	32,011	60,944
Selling Schemes	-	-
Staff Housing Loans	32,011	60,944
Individual Housing Loans	-	-
Selfbuilding Schemes	-	-
	<u>29,695,243</u>	<u>32,230,714</u>
Less:- Current portion transferred to Current Liabilities	2,005,472	2,977,387
Government Loans	-	-
Local Registered Stock	-	-
Unregistered Stock	-	-
Annuity Loans	2,005,472	2,907,531
Lease Repayments	-	69,856
	<u>27,689,771</u>	<u>29,253,327</u>
(Refer to Appendix B for more details)		

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

2005/2006
R

2004/2005
R

LOCAL REGISTERED STOCK

Local Registered Stock carry interest at a rate of 13,95% per annum and are repayable over a period of one year.

The ANNUITY LOANS

Annuity Loans carry interest at rates varying between 5% and 18% per annum and are payable over periods of between one and fifteen years.

Only on the Commonage a bond is registered in the name of The Development Bank of South Africa as security on the traffic centre. No other bond is registered against any other fixed asset of this Transitional Local Council.

5. CONSUMER DEPOSITS - SERVICES

Electricity and Water	<u>2,710,564</u>	<u>2,274,986</u>
Guarantees in lieu of electricity and water deposits	<u>270,430</u>	<u>275,430</u>

6 FIXED ASSETS

Fixed assets at the beginning of the year	158,920,362	138,257,957
Capital expenditure during the year	9,187,759	20,662,605
Less: Assets written off, transferred or dispose of during the year	-	-
Total Fixed Assets	<u>168,108,121</u>	<u>158,920,562</u>
Less: Loans redeemed and other capital receipts	123,907,867	111,042,207
Net Fixed Assets	<u>44,200,254</u>	<u>47,878,355</u>

(Refer to Appendix C and Section 2 of the Treasurers Report for more details on fixed assets).

7 INVESTMENTS

Listed

None

Unlisted

Short-term Deposits	2,092,015	2,043,494
Call deposits	849,700	2,368,459
	<u>2,941,715</u>	<u>4,411,953</u>
Deposit: Telephone Pudimoe	125	125
	<u>2,941,840</u>	<u>4,412,078</u>

Average rate of return on investments

There was complied to the conditions as laid down by various circulars received from the Province, and also to the Users Code for Investments as published by the IMFO that was adopted by this Council per Councils Resolution 62/94 dated 8 February 1994.

No Investment have been written off during the year.

SARS seized R 1,230,000 of the Stella Housing Fund and as such this is not reflected as an investment. This is shown as a debtor. See note 10.

8 LONG TERM DEBTORS

Erven sold	#	(498,142)	152,063
Loans to Sporting Bodies		83,250	97,785
Loans to the Public - Electricity	#	5,322	5,620
Loans to the Public - Sewerage		-	-
Vehicle loans		156,169	209,946
Fire Arm Loans		-	-
Staff Housing Loans		<u>32,011</u>	<u>60,944</u>
		<u>(221,390)</u>	<u>526,358</u>
Less Short term portion of Long term debtors		14,910	75,303
		<u>(236,300)</u>	<u>451,055</u>

(# Control Accounts do not balance.)

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u>	<u>2004/2005</u>
	<u>R</u>	<u>R</u>
9 INVENTORY		
Municipal Store - Vryburg	# 2,537,062	2,537,062
Municipal Store - Stella	# 130,229	130,229
Fuel Parks Department	-	-
Work Shop	-	-
	<u>2,667,291</u>	<u>2,667,291</u>

Inventory represents consumable stores.

Stock levels are kept as low as possible to prevent the risk of redundant stock. Stock that shown no movement during the year represents emergency stock and items that is not available any more. This stock nessasary to be able to keep the municipal works in a satisfactory condition.

The stores is in a process of closing down.

(# Control Accounts do not balance.)

10 DEBTORS

Current debtors : Rates and Taxes	-	-
Consumer Services	# 68,953,940	60,395,161
Sundries	# 930,956	252,206
Railway line	-	-
Staff Vehicle Loans	39,286	39,286
Staff Housing Loans	11,023	11,023
Staff Fire Arm Loans	-	-
Housing - Selling Schemes	# 146,748	147,209
Loans to the Public - Electricity	-	-
Loans to the Public - Sewerage	-	-
Loans to Sporting Bodies	51,139	46,555
Suspence Accounts - General	# 6,994,038	3,791,783
SARS (Stella Housing)	542,500	1,230,000
Revolving Fund	# 797,527	798,027
	<u>78,467,157</u>	<u>66,711,250</u>
Less: Provision for Bad Debts	<u>7,761,127</u>	<u>7,755,499</u>
	<u>70,706,030</u>	<u>58,955,751</u>

(# Control Accounts do not balance.)

11. DEFERRED CHARGES

None	-	-
Audit Fees	-	-
	<u>-</u>	<u>-</u>

12 PROVISIONS

Leave Gratitude Fund	<u>109,158</u>	<u>941,915</u>
	<u>109,158</u>	<u>941,915</u>

(Refer to Appendix A for more details).

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u>	<u>2004/2005</u>
	<u>R</u>	<u>R</u>
13 CREDITORS		
Trade Creditors	7,978,020	4,120,284
Creditor Control account	# (555,306)	3,163,149
Deposits - Other	# 426,952	359,870
VAT Control	10,665,527	9,546,696
Suspence Accounts	# 10,092,613	8,252,369
	<u>28,607,806</u>	<u>25,442,368</u>
Amounts received in advance: Loans to Sporting Bodies	-	-
Staff Fire Arm Loans	-	-
Staff Vehicle Loans	4,547	4,547
Staff Housing Loans	8,604	4,434
Housing Loans - Selling Schemes	# 38,607	38,158
Housing Loans - Individual	2,199	2,199
Loans to the Public - Electricity	-	-
Loans to the Public - Sewerage	-	-
	<u>28,661,763</u>	<u>25,491,706</u>
Provision for Audit Costs	-	-
	<u>28,661,763</u>	<u>25,491,706</u>

(# Control Accounts do not balance.)

Guarantees in lieu of electricity and water deposits R275 430

It is herewith disclosed that the Naledi Local Municipality could not honour all their commitments towards the DBSA, Vaalharts Water Scheme and SARS due to cash flow problems. The municipality is also in a dispute with SARS with regard to the exact amount of VAT due to SARS.

14 ASSESSMENT RATES

	Valuation as at 1 July 1995	Actual Income 2005/2006	Actual Income 2004/2005
	<u>R</u>	<u>R</u>	<u>R</u>
Residential	288,630,360	10,690,680	9,914,969
Commercial (Industry and Bussineses)	24,840,040	1,626,246	1,508,246
State - Residential	17,629,840	1,357,915	1,259,385
- Commercial	1,686,800	100,950	93,625
Municipal/ Churches	36,896,530	-	-
	<u>369,683,570</u>	<u>13,775,791</u>	<u>12,776,225</u>

The valuation includes Land and Buildings. Valuations are to be performed every five years. The last general valuation came into effect on 1 July 1995. Due to some logistical problems a valuation was performed to come in effect on 1 July 2003 but was postponed for one year by the MEC for Developmental Local Government.

The basic rate for residential erven was 4.86c (2004/2005 4.54c) less 16,5 percent and for Bussineses and Industry 4.86c (2004/2005 4.54c) in the Rand on Land and Buildings. A rebate of 40% was granted to Old Age Pensioners and Needy Elderly.

As Stella had a more resent valuation their tariff was:

Housholds and businesses 2.69c (2004/2005 2.51c)

A valuer was appointed to do a General Valuation.

15 COUNCILLOR'S AND MANAGER'S RENUMERATION AND EMPLOYEE RELATED COSTS

Remuneration of Councillors

Mayor's Allowance	158,523	131,764
Speaker	126,621	116,417
Members of the Executive Committee	358,044	357,042
Councillor's Allowances	985,154	843,908
Councillor's Pension Fund Contributions	221,400	108,689
	<u>1,849,742</u>	<u>1,557,820</u>

I herewith declare that the salaries and allowances paid to the above councillors are within the upper limits of the framework as envisaged by Section 219 of The Constitution.

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u> <u>R</u>	<u>2004/2005</u> <u>R</u>
Certified by Municipal Manager		
Remuneration of Municipal Manager		
Annual Remuneration *	530,707	500,667
Performance Bonus	79,606	75,304
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	610,313	575,971
Remuneration of Chief Financial Officer		
Annual Remuneration *	460,406	442,996
Performance Bonus	62,110	59,762
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	522,516	502,758
Remuneration of Manager: Corporate Administration and HR		
Annual Remuneration *	460,406	442,996
Performance Bonus	62,110	59,762
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	522,516	502,758
Remuneration of Manager: Public Safety, Land and Housing		
Annual Remuneration *	460,406	442,996
Performance Bonus	62,110	59,762
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	522,516	502,758
Remuneration of Manager: Technical Services		
Annual Remuneration *	460,406	442,996
Performance Bonus	62,110	59,762
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	522,516	502,758
Remuneration of Manager: Stella Office		
Annual Remuneration *	460,406	442,996
Performance Bonus	62,110	59,762
Car Allowance (Included in *)	-	-
Contribution to UIF, Medical and Pension Funds (Included in *)	-	-
Total	522,516	502,758
Employee related costs		
Employee related cost - Salaries and Wages	32,595,778	-
Employee related cost - Contribution for UIF, Pension and Medical Cost	6,855,478	-
Travel Motor Car, Accommodation, Subsistence and Other Allowances	1,923,674	-
Housing Benefits and Allowances	307,869	-
Overtime Payments	1,324,322	-
Performance Bonus	36,225	-
Long Service Awards	199,770	-
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expences	-	-
Total Employee Related Costs	43,243,116	-
16 AUDITORS RENUMERATION		
2004/2003 Audit	-	357,638
2003/2004 Audit	357,638	-
2004/2005 audit	325,536	-
	683,174	357,638

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u> <u>R</u>	<u>2004/2005</u> <u>R</u>
17 FINANCE TRANSACTIONS		
Total external interest earned and paid		
Interest earned	26,064	123,605
Interest paid	5,910,985	4,926,041
	5,937,049	5,049,646
Capital charges debited to operating account		
Interest - External	5,910,985	4,926,041
Internal	311,047	155,546
Redemption - External	2,481,393	2,596,400
Internal	1,348,417	745,023
Deferred charges written off.	-	-
	10,051,842	8,423,010
18 APPROPRIATIONS		
Appropriation account:		
Accumulated Surplus / (Accumulated Deficit) at the beginning of the year	1,501,534	487,880
Operating Surplus / (deficit) for the year	(223,890)	(1,690,158)
Appropriations for the year:	479,727	2,703,812
Contribution from Water Stabilisation Fund	-	-
Take over of Stella Accounts	-	-
Prior year adjustments	479,727	2,703,812
Accumulated Surplus/(accumulates Deficit) at the end of the Year	1,757,371	1,501,534
Operating account:		
Capital expenditure	225,322	124,904
Contributions to:		
Provisions-, Replacement- and Maintenance Fund	-	37,893
Provision to Maintenance Reserve Fund (Housing)	-	-
Loss of Rent Reserve Fund (Housing)	-	-
Community Facilities Fund	-	-
Parking Areas Fund	-	165,283
Revolving Fund	-	-
	225,322	328,080
19 CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	(233,890)	487,880
Adjustments in respect of Previous years' operating transactions	479,727	2,703,812
Appropriations charged against income	420,758	290,187
Provisions and Reserves	195,436	-
Loss of Rent Reserve Fund (Housing)	-	-
Community Facilities Fund	-	-
Parking Areas Fund	-	165,283
Revolving Fund	-	-
Fixed Assets	225,322	124,904
Capital charges:		
Interest paid		
- to internal funds	311,047	155,546
- to external funds	5,910,985	4,926,041
Redemption:		
- to internal funds	1,348,417	745,023
- to external funds	2,481,393	2,596,400
Deferred charges written off	-	-
Investment Income (Operating Account)	2,245	1,671
Non-operating Income:	-	-
Non-operating Expenditure:		
Expenditure charged against Provisions and Reserves	-	-
	10,720,682	11,906,560

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u> <u>R</u>	<u>2004/2005</u> <u>R</u>
20 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / Decrease in inventory	-	(503,514)
(Increase) / Decrease in debtors, long term debtors	(11,062,906)	(9,213,968)
Increase / (Decrease) in creditors, consumer deposits	3,603,635	(4,172,706)
	<u>(7,459,271)</u>	<u>(13,890,188)</u>
21 INCREASE / (DECREASE) IN LONG TERM LOANS (EXTERNAL)		
Loans raised	516,899	6,880,267
Loans repaid	2,960,985	(2,596,400)
	<u>3,477,884</u>	<u>4,283,867</u>
22 INCREASE / (DECREASE) IN SHORT-TERM LOANS (EXTERNAL)		
Loans raised	-	-
Loans repaid	-	-
	<u>-</u>	<u>-</u>
23 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments realised	1,518,759	2,490,222
Investments made	(48,520)	(1,980,489)
	<u>1,470,239</u>	<u>509,733</u>
24 (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	(15,793,574)	(6,711,574)
Less: Cash balance at the end of the year	(22,112,337)	(15,793,014)
	<u>6,318,763</u>	<u>9,081,440</u>
25 RETIREMENT BENEFITS		
The last actuarial valuation of the Cape Joint Pension Fund was done at 30 June 2001 while they are in the process of doing a new valuation. The last actuarial valuation on the Pension Fund for Councillors was on 31 December 2000. At the Cape Joint Pension Fund the funding level was 100%, while the funding level of the Pension Fund for Councillors was at 114.6%. As a result of this high percentage a investigation is carry out to establish better remunations for its members. On 1 May 1996 the Cape Joint Pension Fund was changed to give its members the oppertunity to make a choice between a Pension Fund or a Provident Fund.		
26 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees by the Naledi Local Municipality in respect of building society and commercial bank housing loans to officials.	<u>668,030</u>	<u>668,030</u>

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	<u>2005/2006</u> <u>R</u>	<u>2004/2005</u> <u>R</u>
27 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and Contracted for	800,206	839,596
- Approved but not yet contracted for	-	-
	<u>800,206</u>	<u>839,596</u>
The expenditure will be financed from:		
- Internal sources	-	-
- External sources	-	-
- State	800,206	839,596
- District council	-	-
- Other external sources	-	-
	<u>800,206</u>	<u>839,596</u>
28 GRANTS RECEIVED		
Equitable Share	8,831,676	-
Upgrading Sewerage Works (District Municipality)	1,089,442	-
Upgrading Huhudi Hall (North West Province)	651,362	-
Backlog Study (District Municipality)	198,822	-
Town Planning (District Municipality)	296,400	-
IT Systems (DBSA)	650,000	-
Refurbishment of Roads (Dept. of Economic Affairs)	2,000,000	-
Refuse Transfer Stations (MIG)	1,721,595	-
Upgrading of Libraries (North West Province)	450,000	-
	<u>15,889,297</u>	<u>-</u>
29 TAXES PAID		
LBS	4,315,232	
Skills Development	281,928	
UIF	568,407	
District Municipal levies	177,039	
VAT	* 10,665,527	
	<u>16,008,133</u>	<u>-</u>
30 OUTSTANDING PAYMENTS		
VAT	<u>10,665,527</u>	
<i>VAT is still outstanding due to a dispute with the Receiver of Revenue</i>		

NALEDI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

		<u>2005/2006</u>	<u>2004/2005</u>
		<u>R</u>	<u>R</u>
31 BANK ACCOUNTS			
ABSA	- Colateral	6,500	6,500
ABSA	- Colateral	5,668	5,282
ABSA	- Savings	30,396	30,396
ABSA	- Savings	15,000	15,000
ABSA	- 32 Days Notice	373,422	373,422
ABSA	- Call	106,048	106,048
ABSA	- Call	176,347	176,347
ABSA	- Call	907,577	907,577
ABSA	- Savings	29,907	29,907
ABSA	- Call	167,294	167,294
Peoples Bank	- Colateral	15,025	15,025
Perm Bank	- Colateral	5,937	5,937
Perm Bank	- Colateral	4,730	4,730
Perm Bank	- Colateral	30,822	30,822
Perm Bank	- Colateral	2,972	2,972
FNB	- Colateral	7,900	7,900
FNB	- Colateral	10,000	10,000
FNB	- Colateral	9,490	9,490
FNB	- Colateral	7,592	7,592
FNB	- Colateral	8,000	8,000
FNB	- Call	355,193	355,193
FNB	- Call	78,540	78,540
FNB	- Call (LGSG)	417,510	417,510
FNB	- Current Account	2,804,933	563,647
		<u>5,576,803</u>	<u>3,335,131</u>

NALEDI LOCAL MUNICIPALITY

STATUTORY FUNDS, TRUST FUNDS AND RESERVES

	BALANCE AT 30/06/2005	CONTRIBUT. DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	EXPENDITURE DURING THE YEAR OPERATING CAPITAL	BALANCE AT 30/06/2006
STATUTORY FUNDS						
Revolving Fund	24,874,295		345,224	4,028		25,223,547
Parking Areas Development Fund	987,682		717			988,399
Dog Tax Fund	133,179		97		19,768	113,508
Study Bursaries Fund	0					0
	25,995,156	0	346,038	4,028	19,768	26,325,454
RESERVES						
Loans Redemption Fund	479,591	20,409			500,000	0
Provisions-, Replacement- and Repairs Fund	2,094,244	0	1,519	0	195,436	1,900,327
- Rates and General Services	1,819,361		1,320		195,436	1,625,245
- Electricity Services	274,883		199			275,082
- Water Services	0					0
Leon Taljaard Game Fund	1,658,301		1,203		215,031	1,444,473
Housing Development Fund	398,430		289			398,719
Maintenance Huhudi Stadium	8,717					8,717
	4,639,283	20,409	3,011	0	910,467	3,752,236
TRUST FUNDS						
Development Fund	511,196					511,196
Fire Brigade Fund	236,944	150,000				386,944
Naledi Support Grant	496,238					496,238
Deboning Project (LED)	2,502					2,502
Sewing Project (LED)	203,327				184,474	18,853
Bophirima Furniture and Coffin Making (LED)	0					0
Skills Development	0					0
Restructuring Fund	891,686					891,686
Museum Upgrading	117,372					117,372
Upgrading Libraries	230,992	450,000			178,000	492,736
Finance Management Grants	663,576				228,134	435,442
Huhudi/Vryburg Housing Projects	193,651	238,224			359	431,516
Stella Housing Projects	1,235,232		53,219			1,288,451
Dithakwaneng Housing Project	691,839				691,839	0
Mayoral Awards	4,306					4,306
LED Projects	100,000					100,000
	5,578,861	838,224	53,219	0	1,282,806	5,177,242
PROVISIONS						
Leave Granuity Fund	941,915		683		833,440	109,158
	941,915	0	683	0	833,440	109,158

NALEDI LOCAL MUNICIPALITY

EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 30/06/2005	Received during the year	Redeemed or written off during the year	Balance at 30/06/2006
	R	R	R	R
EXTERNAL LOANS				
LOCAL REGISTERED STOCK				
<u>Is Redeemable</u>	<u>Loan No</u>	<u>Redeemable</u>		
1992 @ 13,95% (1982)	46	30/06/2006		
			500,000	0
			500,000	0
Sub-Totaal	500,000	0	500,000	0
Annuity Loans	31,599,913	524,304	2,460,985	29,663,232
TOTAL EXTERNAL LOANS	32,099,913	524,304	2,960,985	29,663,232
Leased Items Outstanding	69,857		69,857	0
TOTAL EXTERNAL COMMITMENTS	32,169,770	524,304	3,030,842	29,663,232

	Balance at 30/6/2004	Received during the year	Redeemed or written off during the year	Balance at 30/06/2005
INTERNAL ADVANCES TO BORROWING SERVICES				
Loan Redemption Fund	14,073		3,427	10,646
Reserve Funds	0			0
Provisions-, Replacement- and Maintenance Fund	0			0
Revolving Fund	3,625,544	3,001,283	1,344,990	5,281,837
	3,639,617	3,001,283	1,348,417	5,292,483

NALEDI LOCAL MUNICIPALITY

ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004/2005		BUDGET 2005/2006	BALANCE At 30/06/2005	EXPENDITURE 2005/2006	WRITTEN OFF REDEEMED/ DISPOSE OF DURING THE YEAR	BALANCE AT 30/06/2006
R		R	R	R	R	R
587,569 J				60,186 J	60,186 J	
625,609 T				7,452,654 T	7,452,654 T	
7,105,807	RATES AND GENERAL SERVICES	16,699,400	103,336,667	8,223,795	0	111,560,462
587,569 J				60,186 J	60,186 J	
555,173 T	Community Services	11,943,230	72,496,682	3,581,018 T	3,581,018 T	
6,612,551				4,834,239	0	77,330,921
790	Administration	500,690	354,379	302,993	0	657,372
70,940 T	Airport	0	361,584	0	0	361,584
0						
420,074	Cemeteries	50,000	623,176	1,881	0	625,057
479,246	Civic Buildings	1,388,320	5,148,950	50,388 T	50,388 T	6,098,647
741	Civil Engineering Services	325,430	181,047	949,697	0	
340,321	Commonage	0	867,268	45,130	0	226,177
0	Environmental Health Services	0	1,355,179	229,877 T	229,877 T	882,046
628,612	Finance	1,090,000	4,734,952	14,778	0	1,355,179
16,993	Fire Brigade	362,000	1,571,809	0	0	
56,140 J				1,253,072 T	1,253,072 T	
80,000 T				149,359	0	4,884,311
514,723	General Expenditure of Council	2,505,480	2,149,033	203,996	0	1,775,805
0	Housing, Development and Planning	0	17,112	0	0	2,149,033
6,325 J	Leon Taljaard Nature Reserve	193,000	2,815,967	215,031 T	215,031 T	17,112
11,970				212,316	0	3,028,283
10,095	Library	200,000	127,839	10,256 T	10,256 T	
0	Municipal Manager	0	0	10,256	0	138,095
88,440	Parking Areas	45,000	3,065,430	0	0	0
2,826 T				0	0	3,065,430
165,888	Parks, Sport and Recreation	622,400	4,941,454	271,298 T	60,186 J	
525,104 J				159,044	271,298 T	5,040,312
174,108 T				60,186 J	0	
2,624,542	Public Works	3,842,580	26,927,329	1,353,992 T	1,353,992 T	28,914,094
41,242 T				1,926,579	0	
203,725	Sales Pen	15,000	973,013	132,820 T	132,820 T	973,780
17,249 T	Stores		263,408	767	0	263,408
13,344				0	0	
54,329	Swartfontein Recreation Resort	290,500	929,347	51,182 T	51,182 T	1,094,973
12,616 T				165,626	0	
39,694	Swimming Pools	160,000	2,006,206	74,388	0	2,080,594
156,192 T						
998,764	Traffic	327,830	12,875,842	602,928	0	13,478,770
0 T				13,102 T	13,102 T	
260	Workshop	25,000	206,358	14,501	0	220,859
70,436 T						
493,256	Economic Services	4,756,170	30,839,985	3,871,636 T	3,871,636 T	
57,721 T				3,389,556	0	34,229,541
184,138	Cleaning	3,291,340	3,862,865	2,324,357 T	2,324,357 T	6,118,360
12,715 T				2,255,495	0	
303,612	Sewerage	1,334,830	26,447,416	1,523,024 T	1,523,024 T	27,525,617
5,506	Cesspool Services	130,000	529,704	1,078,201	24,255 T	585,564
				24,255 T	0	
				55,860	0	

NALEDI LOCAL MUNICIPALITY

ANALYSIS OF FIXED ASSETS (Continue)

EXPENDITURE 2004/2005		BUDGET 2005/2006	BALANCE At 30/06/2005	EXPENDITURE 2005/2006	WRITTEN OFF REDEEMED/ DISPOSE OF DURING THE YEAR	BALANCE AT 30/06/2006
R		R	R	R	R	R
0	HOUSING SERVICES	895,000	1,477,182	13,460	0	1,490,642
0	Housing	895,000	0	0	0	0
0	Family Units	0	1,477,182	13,460	0	1,490,642
563,799 T				2,231,807 T	2,231,807 T	
5,920,254	TRADING SERVICES	1,593,670	54,106,513	950,504	0	55,057,017
288,511 T				961,803 T	961,803 T	
3,252,200	Electricity Service	1,241,970	22,360,421	600,588	0	22,961,009
275,288 T				1,270,004 T	1,270,004 T	
2,668,054	Water Service	351,700	31,746,092	349,916	0	32,096,008
587,569 J				60,186 J	60,186 J	
1,189,408 T				9,684,461 T	9,684,461 T	
13,026,061		19,188,070	158,920,362	9,187,759	0	168,108,121
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		111,042,207	15,016,808	0 J	123,907,867
2,841,907	Loans redeemed and Advances paid		12,055,316	4,309,403	1,548,877	14,815,842
169,167	Lease Repayments		532,415	69,856	602,271	0
72,798	Assets ex Income		6,890,207	226,121	0	7,116,328
7,043,387	Assets ex General Capital		91,564,269	10,411,428	0	101,975,697
4,675,779			47,878,155	3,915,598	7,593,499	44,200,254

NALEDI LOCAL MUNICIPALITY

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 2006

Actual 2004/2005		Actual 2005/2006	Budget 2005/2006
R		R	R
INCOME			
6,904,000	Grants and Subsidies	8,638,951	5,437,510
6,269,000	Central Government	6,975,000	3,720,000
635,000	Regional Government	1,219,441	1,273,000
0	District Municipality	444,510	444,510
74,841,021	Operating Income	81,525,568	85,014,340
12,776,226	Assessment Rates	13,775,791	13,947,930
25,266,947	Sale of Electricity	25,637,432	25,940,350
14,967,877	Sale of Water	16,830,010	17,308,500
21,829,971	Other Service Charge	25,282,335	27,817,560
81,745,021		90,164,519	90,451,850
EXPENDITURE			
42,387,065	Salaries, Wages and Allowances	43,243,116	43,505,120
21,979,975	General Expenses	28,780,663	28,106,790
11,405,016	Purchase of Electricity	14,334,467	13,655,990
0	Purchase of Water	3,139,364	1,893,700
10,574,959	Other Expenses	11,306,832	12,557,100
20,035,525	Departmental Charges	19,899,297	21,302,000
5,022,398	Repairs and Maintenance	5,015,707	5,464,650
8,598,950	Capital Charges	10,103,117	9,173,790
124,904	Contributions to Fixed Assets	223,873	304,850
165,283	Contributions to Funds	0	0
98,314,100	Gross Expenditure	107,265,773	107,857,200
17,056,960	Less:- Amounts Charged Out	16,877,361	17,418,040
0	Working Capital		
81,257,140	Net Expenditure	90,388,412	90,439,160

NALEDI LOCAL MUNICIPALITY

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPEND'RE	2004/2005 SURPLUS/ (DEFICIT)		2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPEND'RE	2005/2006 SURPLUS/ (DEFICIT)	2005/2006 BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
40,960,785	48,897,071	(7,936,286)	RATES AND GENERAL SERVICES	46,813,965	52,911,520	(6,097,555)	(8,755,800)
24,155,958	31,101,031	(6,945,073)	Community Services	29,447,892	35,062,722	(5,614,830)	(9,614,210)
			CORPORATE ADMINISTRATION AND HUMAN RES.				
1,542	10,574	(9,032)	Airport	1,412	6,709	(5,297)	(5,740)
29,557	543,442	(513,885)	Building Maintenance Civic Centre	52,033	639,965	(587,932)	(751,180)
15,870	110,697	(94,827)	Building Maintenance Colridge Community Hall	17,907	102,641	(84,734)	(124,230)
3,305	49,678	(46,373)	Building Maintenance Gymnasium	5,435	46,575	(41,140)	(48,360)
3,550	171,015	(167,465)	Building Maintenance Huhudi Offices/Community Hall	1,080	179,257	(178,177)	(174,470)
7,255	70,116	(62,861)	Building Maintenance Kismetpark Community Hall	5,650	66,148	(60,498)	(68,930)
81,357	394,188	(312,831)	Building Maintenance Theatre and Banquet hall	97,045	376,677	(279,632)	(184,790)
113,369	8,788	104,581	Commonage	98,741	10,597	88,144	114,250
-	358,847	(358,847)	Corporate and HR Administration	-	222,020	(222,020)	(182,120)
48,020	530,647	(482,627)	General Administration	57,501	500,567	(443,066)	(315,400)
-	1,075	(1,075)	Human Resource Development	-	163,778	(163,778)	(239,490)
68,256	350,845	(282,589)	Leon Taljaard Nature Reserve	216,316	336,313	(119,997)	23,780
1,056	167,847	(166,791)	Library Colridge	1,303	160,682	(159,379)	(185,250)
2,044	215,341	(213,297)	Library Huhudi	2,220	209,522	(207,302)	(231,320)
6,130	234,432	(228,302)	Library Vryburg	187,307	257,833	(70,526)	(271,240)
61,700	714,467	(652,767)	Property Administration	57,316	754,105	(696,789)	(674,990)
133,706	1,147,429	(1,013,723)	Swartfontein Recreation Resort	97,128	1,149,844	(1,052,716)	(1,209,920)
853	99,945	(99,092)	Swimming Pool Colridge	-	131,468	(131,468)	(182,270)
2,443	108,150	(105,707)	Swimming Pool Huhudi	3,992	152,682	(148,690)	(164,120)
4,592	158,189	(153,597)	Swimming Pool Vryburg	3,195	167,058	(163,863)	(170,500)
			FINANCIAL SERVICES				
-	1,842	(1,842)	Expenditure Services	-	214,396	(214,396)	(337,800)
-	57,939	(57,939)	Financial Administration	-	106,934	(106,934)	(226,030)
-	6,006	(6,006)	Financial Management	-	(148,206)	148,206	69,390
-	298,072	(298,072)	IT Data Services	-	212,507	(212,507)	(50,960)
750,798	397,672	353,126	Revenue Services	213,642	604,958	(391,316)	(207,960)
80,942	43,013	37,929	Salaries and Wages Services	56,136	(17,073)	73,209	172,920
-	262,317	(262,317)	Stores (Inventory) Services	-	77,322	(77,322)	(9,830)
19,045,226	185,672	18,859,554	Taxes	20,750,791	205,460	20,545,331	17,564,370
			PUBLIC SAFETY LAND AND HOUSING				
-	704,506	(704,506)	Administration Public Safety Land and Housing	-	755,562	(755,562)	(852,600)
51,670	401,525	(349,855)	Building Inspections and Planning	57,700	384,644	(326,944)	(357,960)
-	364,457	(364,457)	Disaster and Fire: Disaster Services	-	390,267	(390,267)	(277,900)
58,390	2,621,973	(2,563,583)	Disaster and Fire: Fire and Rescue Services	43,733	2,669,832	(2,626,099)	(2,335,820)
-	343,033	(343,033)	Disaster and Fire Administration	-	224,653	(224,653)	(198,600)
580	976,349	(975,769)	Housing Services	415	1,093,276	(1,092,861)	(1,158,330)
-	788,704	(788,704)	Traffic Administration	-	939,926	(939,926)	(930,220)
-	1,471,090	(1,471,090)	Traffic Centre	-	2,181,858	(2,181,858)	(2,406,310)
-	12,238	(12,238)	Traffic Driver Examinations	308,781	4,742	304,039	200,000
780,035	1,985,805	(1,205,770)	Traffic Law Enforcement	2,813,361	3,613,167	(799,806)	(451,160)
1,223,514	920,260	303,254	Traffic Licensing Services	1,434,835	879,986	554,849	812,390
-	416,330	(416,330)	Traffic Maintenance Roads	-	396,896	(396,896)	(396,620)
317,602	442,882	(125,280)	Traffic Vehicle Examination	261,017	393,637	(132,620)	(4,230)
			TECHNICAL SERVICES				
124,035	649,386	(525,351)	Cemeteries	184,843	745,762	(560,919)	(661,870)
1,029	3,561,988	(3,560,959)	Maintenance Roads	4,535	3,343,537	(3,339,002)	(2,875,540)
2,790	476,539	(473,749)	Maintenance Storm Water	7,274	576,178	(568,904)	(500,200)
671	1,516,675	(1,516,004)	Parks	852	1,569,534	(1,568,682)	(1,854,760)
7,545	1,761,609	(1,754,064)	Parks: Sport Grounds	7,741	1,732,117	(1,724,376)	(1,824,450)
441,106	307,777	133,329	Sales Pen	850,166	425,626	424,540	219,940
0	72,796	(72,796)	Street Lightning	-	87,593	(87,593)	(120,000)
0	287,516	(287,516)	Technical Services Administration	-	128,991	(128,991)	(292,070)
			Workshop	-	569,250	(569,250)	(971,770)
			MUNICIPAL HEALTH				
639,258	957,144	(317,886)	Environmental Health	1,482,268	990,822	491,446	288,130
0	349,123	(349,123)	Health Administration	4,500	341,625	(337,125)	(376,750)
			MUNICIPAL MANAGER OFFICE SUPPORT SERVICES				
0	2,526	(2,526)	Administration Office of the Mayor	-	-64,500	64,500	(25,380)
0	25,815	(25,815)	Administration Office of the Speaker	-	47,113	(47,113)	(92,910)
0	86,570	(86,570)	Communications Office	-	68,601	(68,601)	(279,400)
19,639	1,345,418	(1,325,779)	General Expenses of Council	36,519	2,007,963	(1,971,444)	(1,563,680)
0	70,603	(70,603)	IDP/PMS Services	-	104,919	(104,919)	(120,410)
0	55,527	(55,527)	IT Specialised Services	-	32,890	(32,890)	(156,560)
0	1,178	(1,178)	LED Services	-	-68,606	68,606	(3,330)
0	326,649	(326,649)	Office of the Municipal Manager	-	300,486	(300,486)	(384,500)

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPEND'RE	2004/2005 SURPLUS/ (DEFICIT)		2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPEND'RE	2005/2006 SURPLUS/ (DEFICIT)	2005/2006 BUDGET SURPLUS/ (DEFICIT)
			STELLA OFFICE				
0	84,395	(84,395)	Stella Administration	-	85,805	(85,805)	(257,110)
11,518	278,439	(266,921)	Stella Building Maintenance	11,147	252,953	(241,806)	(319,170)
11,465	45,324	(33,859)	Stella Cemeteries	9,630	107,006	(97,376)	(150,090)
0	640	(640)	Stella Housing	-	52,324	(52,324)	(98,020)
3,280	105,085	(101,805)	Stella Library	2,138	94,656	(92,518)	(120,490)
0	337,298	(337,298)	Stella Maintenance Roads	-	494,076	(494,076)	(432,620)
0	202,258	(202,258)	Stella Parks	-	140,002	(140,002)	(145,090)
260	45,356	(45,096)	Stella Revenue	287	76,814	(76,527)	(66,550)
16,804,827	17,796,040	-991,213	Economic Services	17,366,073	17,848,798	-482,725	858,410
			TECHNICAL SERVICES				
335,530	337,416	(1,886)	Cesspool Services	286,075	377,669	(91,594)	(217,310)
36,127	136,359	(100,232)	Nightsoil Services	35,981	200,254	(164,273)	(183,150)
39,511	686,747	(647,236)	Sewer Blockage Services	40,231	625,756	(585,525)	(521,250)
0	74,955	(74,955)	Sewerage Administration	-	87,252	(87,252)	(172,350)
9,510,788	6,979,269	2,531,519	Sewerage Plant	9,267,945	6,915,080	2,352,865	3,661,140
			MUNICIPAL HEALTH				
0	268,922	(268,922)	Dumping Site Maintenance	-	171,336	(171,336)	(221,800)
1,318,469	696,674	621,795	Refuse Removal Businesses	1,665,078	810,095	854,983	599,310
2,179	714,440	(712,261)	Refuse Removal Garden	1,771	629,202	(627,431)	(705,690)
5,142,177	942,922	4,199,255	Refuse Removal Household	5,668,423	840,330	4,828,093	4,671,770
0	557,662	(557,662)	Refuse Removal Streets	-	587,611	(587,611)	(603,700)
19,311	1,096,877	(1,077,566)	Taxi/Street Cleaning (Public Places)	5,307	1,197,176	(1,191,869)	(986,540)
0	4,740,598	(4,740,598)	Waste Administration	-	4,724,096	(4,724,096)	(4,761,250)
			STELLA OFFICE				
188,703	305,751	(117,048)	Stella Cesspool Services	146,312	391,716	(245,404)	176,270
0	130,372	(130,372)	Stella Dumping Site	-	118,414	(118,414)	(46,210)
212,032	127,076	84,956	Stella Removal Services	248,950	172,811	76,139	169,170
40,455,998	32,065,908	8,390,090	TRADING SERVICES	43,013,322	37,349,633	5,663,689	8,568,190
			TECHNICAL SERVICES				
0	1,163,113	(1,163,113)	Electricity: Generation and Bulk Services	-	1,148,677	(1,148,677)	(989,220)
24,777,864	19,352,540	5,425,324	Electricity: Reticulation and Connections	24,432,619	21,225,397	3,207,222	3,291,790
14,777,675	8,576,239	6,201,436	Water Reticulation	16,402,964	8,599,663	7,803,301	8,925,140
0	1,370,843	(1,370,843)	Water Works Pudimoo	-	4,603,940	(4,603,940)	(3,278,470)
			STELLA OFFICE				
627,384	1,360,080	(732,696)	Stella Electricity: Reticulation and Connections	1,628,433	1,572,229	56,204	312,990
273,075	243,093	29,982	Stella Water Reticulation	549,306	199,727	349,579	305,960
150,790	116,713	34,077	HOUSING SERVICES	152,883	110,130	42,753	39,950
			CORPORATE ADMINISTRATION AND HUMAN RES.				
150,790	116,713	34,077	Phomolong Housing Units	152,883	110,130	42,753	39,950
177,447	177,447	0	SPECIAL FUNDS	184,350	17,127	167,223	160,350
			TECHNICAL SERVICES				
177,447	177,447	-	Parking Areas	184,350	17,127	167,223	160,350
81,745,020	81,257,139	487,881	TOTAL	90,164,520	90,388,410	(223,890)	12,690
			Appropriations For This Year				
		2,703,812	(Refer to note 18)			479,727	
		3,191,693	Net Surplus/(Deficit) for the Year			255,837	
		(1,690,158)	Accumulated Surplus/(Deficit) beginning of the Year			1,501,535	
		1,501,535	Accumulated surplus/(Deficit) end of the Year			1,757,372	

NALEDI LOCAL MUNICIPALITY

STATISTICAL INFORMATION

a) General Statistics

i) <i>Population</i>	
Colridge	7,070
Huhudi	57,890
Kismetpark	510
Stella	800
Vryburg	7,410
Rural Area	62,320
Total	<u><u>136,000</u></u>

ii) Rates and Taxes

	<u>Land</u>	<u>Improvements</u>	<u>Total</u>
Taxable Properties	13,719,330	275,443,020	289,162,350
Non Taxable Properties	15,652,880	21,282,400	36,935,280
	<u><u>29,372,210</u></u>	<u><u>296,725,420</u></u>	<u><u>326,097,630</u></u>

iii) *Number of Sites in Naledi* 7,734

iv) *Tax tariff: Cent in the Rand* 4.86c

v) *Number of employees in service at 30 June 2006* 427

b) Electricity Statistics

	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
i) <i>Number of users</i>	3,339	3,966	3,311
ii) <i>Units bought</i>	72,529,023	73,810,430	75,588,712
iii) <i>Units sold</i>	63,646,250	59,921,930	64,252,651
iv) <i>Units lost in distribution</i>	8,882,773	13,888,800	11,336,061
v) <i>Percentage loss</i>	12.25%	18.08%	15.00%
vi) <i>Cost per unit bought</i>	19.70C	17.92c	13.20C
vii) <i>Loss in distribution</i>	R 2,812,994	R 2,488,819	R 2,000,509
viii) <i>Cost per unit sold</i>	38.0C	44.0c	39.6C
ix) <i>Income per unit sold</i>	41.2C	41.0c	39.9C

c) Water Statistics

	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
i) <i>Number of users</i>	7,283	8,290	7,431
ii) <i>Units bought</i>	3,951,240	4,661,938	4,562,705
iii) <i>Units sold</i>	4,098,518	4,107,267	4,356,936
iv) <i>Units lost in distribution</i>	(147,278)	554,671	205,769
v) <i>Percentage loss</i>	-3.73%	11.90%	4.51%
vi) <i>Cost per unit bought</i>	-		
vii) <i>Loss in distribution</i>	-		
viii) <i>Cost per unit sold</i>	R1.97	R3.62	R3.62
ix) <i>Income per unit sold</i>	R3.62	R4.01	R43.86

NALEDY LOCAL MUNICIPALITY

STATISTICAL INFORMATION (Continue)

d) Sundry Statistics

i) <i>Building</i>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Inspections Conveyed	362	456	539
Building Plans Approved	161	241	254
Value of Building Plans approved	R 13,145,324	R 34,811,229	R 35,374,559
ii) <i>Roads and Works</i>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Km roads build	0	0	0
Km roads maintained	146	146	146
iii) <i>Housing</i>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Houses build	0	0	0
iiii) <i>Library</i>			
<u>Colridge</u>			
Number of Members			1,047
<u>Issued</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Books	24,072	26,772	27,662
Art pieces	0	15	12
Magazines	1,174	1,105	1,112
Audio visuals	0	0	0
<u>Huhudi</u>			
Number of Members			306
<u>Issued</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Books	4,888	5,199	5,289
Art Pieces	0	0	0
Audio visuals	524	224	230
Magazines	216	804	796
<u>Vryburg</u>			
Number of Members			4,690
<u>Issued</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Books	140,336	167,921	184,323
Art pieces	17	13	15
Magazines	2,607	3,042	2,986
Audio visuals	320	413	418
<u>Stella</u>			
Number of Members			609
<u>Issued</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Books	25,401	20,783	22,986
Magazines	1,728	1,448	1,557
Audio visuals	0	104	114

